

DOCKET SECTION
BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF
DAVID B. POPKIN AND MOTION FOR LATE ACCEPTANCE
(DBP/USPS-19)

The United States Postal Service hereby provides a response to the following interrogatory of David B. Popkin: DBP/USPS-19, filed on September 10, 1997. The Postal Service moves for late acceptance of this response. The press of other discovery and the need to consult with personnel who were absent from the office resulted in the late response.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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October 10, 1997

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DBP/USPS-19 With respect to the Philatelic Products, [a] for each of the past ten years, what were the total revenue and expenses amounts related to it? [b] With respect to revenue amounts, what methods are utilized to determine the division of stamp sales between those that will be utilized to pay for mailing as opposed to those that will not be utilized? [c] What are the goals of the Postal Service with respect to the profit levels to be achieved from the sale of Philatelic Products?

RESPONSE:

a. Philatelic programs include the sale of stamps to collectors and the sale of other philatelic products. Postal Service accounting reports do not provide sufficient information to precisely determine the total revenues and expenses that result from philatelic programs. For example, revenue from sale of stamps is not separated in accounting records between the amount that is to be used for postage and the amount that is to be saved by collectors. Also, printing and window service labor costs related to philatelic stamp sales are not available from Postal Service accounting records and reports. Estimates based on samples and the accounting information that is available are provided in the Comprehensive Statement on Postal Operations, copies of which are available in the Postal Rate Commission library and the Postal Service library.

b. Stamp Services uses a sampling system called the Household Tracking Index (HTI) to estimate the number of stamps that are purchased within each

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household, and out of this total how many are used for postage or saved by collectors. Each quarter a self administered questionnaire is mailed to a total of 50,000 households. Selected households are provided with visual replications of approximately 9 stamp issues, and asked specifically how many of each stamp issue they have retained or might retain for non-mailing purposes. On average, roughly 35,000 households complete and return the questionnaire.

c. The Postal Service's goal with respect to philatelic programs is to generate as much net revenue as is practicable.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


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